

# Medicaid Works: Cuts Would Harm Alaskans

Large cuts in federal funding for Alaska's Medicaid program would put health coverage at risk for many Alaskans. Alaska's Medicaid program enables low-income seniors, children, and people with disabilities to get needed health care and for people in rural Alaska to travel to get care. And it helps parents and other adults stay healthy, work, and avoid medical debt.

## Medicaid Helps Alaska's Families

**136,000**

Alaskans get comprehensive, affordable health coverage through Medicaid.

Most are children, seniors, and people with disabilities.



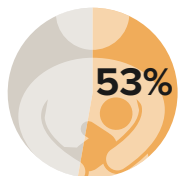
**74,000** of Alaska's children get health care through Medicaid, including the primary care they need to stay healthy.

That's more than **one-third** of kids in Alaska who rely on Medicaid for their care. Alaska's kids are particularly vulnerable to cuts to Medicaid.

Medicaid helps **6,100** of Alaska's babies get a healthy start in life each year.

**10,000** of Alaska's seniors get health care through Medicaid, including nursing home care and services that help them live at home.

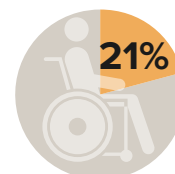
Medicaid provides **17,000** people with disabilities in Alaska with access to critical care that helps them live independently.



That's 53% of births in the state.



That's 15% of seniors in the state.



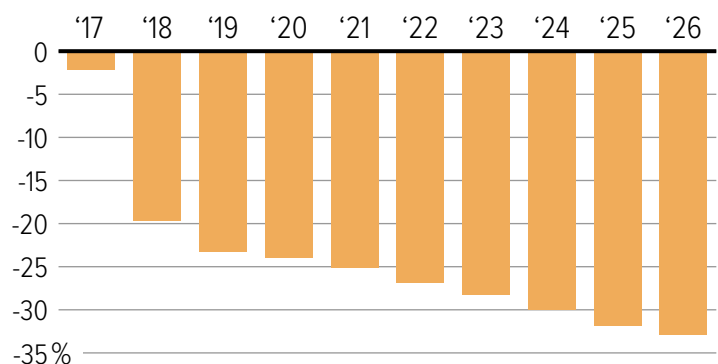
That's 21% of people with disabilities in the state.

## ...But Congress Is Considering Shifting Medicaid Costs to States

Congress is considering plans to “block grant” or “cap” Medicaid – which would cut federal Medicaid funding by large and growing amounts over time, leaving it well below what states will need to continue serving all beneficiaries. A proposal the House Budget Committee approved in 2016, for example, would cut \$1 trillion over ten years, with the cut growing to 33 percent by the tenth year, based on CBPP analysis (see graph).

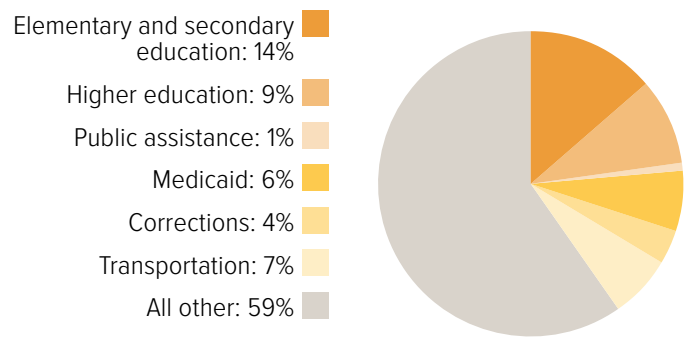
These cuts would achieve federal savings by shifting Medicaid costs to Alaska and other states. The loss of federal support could make it harder for Alaska to respond to public health crises such as the current opioid epidemic.

Percent cut in federal Medicaid funds, relative to current law



Given that states must balance their budgets, cutting Medicaid would force Alaska legislators either to make deep cuts to other state priorities like education or public safety, or to decide which people to cut from Medicaid and which health services to stop covering. Alaska's Medicaid program pays providers among the best of any state. Cuts could force the state to cut provider payments, which could jeopardize care for Alaskans who rely on Medicaid. Given the magnitude of the cuts, there would be no way to protect the populations helped by Medicaid – including seniors, people with disabilities, and families with kids.

Distribution of Alaska's State Budget, 2015



## Cutting Federal Medicaid Funds Would Have a Big Impact on Alaska's Budget

Today the federal government covers **50%** of Alaska's Medicaid costs. That's a great deal for Alaska, especially when costs are higher than anticipated, such as when an effective but costly new medical treatment becomes available.

Alaska received **\$886 million** in federal Medicaid funds in 2015, which made up **30%** of Alaska's federal funds.

## Cuts Could Undermine Alaska's Innovative Programs

### Medicaid Supports Care for Alaska Natives

More than one-third of Alaska's Medicaid enrollees are Alaska Natives, who are more likely to live in poverty and to suffer from chronic, treatable conditions like diabetes or obesity. Medicaid serves a key supplementary role to the care provided through Indian Health Services (IHS).

The Affordable Care Act's Medicaid expansion enabled Alaska to increase coverage among Alaska Natives and provide more revenue to IHS- and tribally-operated facilities. The Medicaid expansion caused the uninsured rate for Alaska Natives to fall from 30.2 percent in 2015 to 22.8 percent in 2016. While the federal government covers 100 percent of the cost when Medicaid beneficiaries receive care at an IHS or tribal facility, it covers only 50 percent when they get care outside an IHS or tribal facility. A 2016 federal policy allowed Alaska to get a 100 percent match for services provided to Alaska Natives outside an IHS or tribal facility. This has allowed Alaska to save state funds and reinvest these savings to improve access to care throughout the health system.



**Warning**

If Congress makes deep cuts to Medicaid, Alaska will have to make tough choices about which services to offer people who rely on Medicaid.

### Dental Therapy

Alaska has struggled to find and retain enough dentists, particularly for remote areas. To improve access to dental care and address disparities for Alaska Natives' access to dental services, Alaska created a new category of mid-level dental provider — called a dental therapist — to perform routine dental services. By working in teams with dentists, dental therapists add capacity and improve Alaskans' access to preventive dental care. Evaluations show these teams can offer better care than dentists working alone.



**Warning**

Alaska's Medicaid program began covering dental care for adults in 2007. If Congress makes deep cuts to Medicaid, the state might not be able to continue to offer this care.

Sources: Alaska Division of Health Care Services, CBPP, Census Bureau, Commonwealth Fund, Kaiser Family Foundation, Medicaid and CHIP Payment and Access Commission, National Association of State Budget Officers